

House Republican Press Release

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Rep. DelGobbo says New Programs Are a Critical Step in Controlling Energy Costs



State Rep. Kevin M. DelGobbo hailed new state incentives encouraging businesses to generate some of their own electricity as a benefit to all power consumers.

“This is a critical step forward in Connecticut for all energy users,” said Rep. DelGobbo. “These measures are an opportunity to help control electricity costs for both

business and residential rate payers.”

Rep. DelGobbo was one of the principal co-authors of the legislation that will provide grants, loans, credits and other incentives for what is called distributed generation, or customer-produced electricity, to supplement large centralized power plants.

He added, “To the extent that businesses participate in the program, not only will they have an opportunity to better control their energy costs, but all ratepayers will benefit because it will reduce the load on the system.”

Rep. DelGobbo is ranking member of the legislature’s Energy and Technology Committee.

He noted that the state Department of Public Utility Control today announced a program of incentives for distributed generation including:

Capital Grants

\$200/kW Emergency Generators

\$450/kW Base load generation including Combined Heat and Power

Projects in Southwest Connecticut will receive an additional \$50/kW

Conservation and Load Management grants will be determined on a case by case basis. Applicants must apply through CL&P and UI conservation programs.

Renewable energy generation projects are eligible but may receive higher grants through programs offered by the Clean Energy Fund.

Low Interest Loans

A low interest loan program will be available for customer-side distributed resource projects of 100kW or greater. The interest rate will be no more than the prime rate.

Gas Discount

Natural gas rates will be reduced for customer-side generation projects that use natural gas. Gas distribution charges will be waived.

Backup Rates

Electricity rates for power used when base load customer-side generators are out of service will be reduced. This will be done by eliminating backup rates and eliminating demand ratchets for these projects.

Renewable Energy Credits

Legislation requires that a portion of Connecticut electricity is supplied from Class 1, Class II or Class III fuel sources. Generators that use these fuel sources are awarded renewable energy credits that can be sold to electric suppliers.

Customers may choose the incentives that are appropriate for their project. There is no requirement that a project receive a monetary grant to be eligible for other incentives.

Rep. DelGobbo noted that these programs are an important step to put in place the necessary infrastructure that will help control energy costs and ensure reliability.

“For too many years, the legislature has failed to ‘connect the dots’ of policy to achieve lower cost electricity,” Rep. DelGobbo said. He pointed to legislative actions that delayed the construction of a new transmission system, the enactment of draconian environmental measures, and a general NIMBY [not in my back yard] attitude in the siting of new generation assets as all contributing to Connecticut’s high energy costs.

“I hope the legislature finally ‘gets it’ and that today’s programs are just a first step,” he added.

Rep. DelGobbo said he hopes that the General Assembly will move forward this year with initiatives that will encourage new generation and fuel diversity.